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**WAYZATA CITY COUNCIL
SPECIAL MEETING MINUTES
April 12, 2016**

AGENDA ITEM 1. Call to Order and Roll Call.

Mayor Willcox called the special meeting to order at 7 p.m. Council Members present: Anderson, McCarthy, Mullin and Tyacke. Also present: Interim City Manager Reeder, City Attorney Schelzel, and Director of Planning and Building Thomson.

Mayor Willcox reported that Council met in Workshop prior to the meeting to discuss possible language for a future resolution accepting the work of Civitas for the Lake Effect project.

AGENDA ITEM 2. Approve Agenda.

The agenda was accepted as submitted.

AGENDA ITEM 3. New Business

a. Consider and Approve Pre-Design for Phase II of the Mill Street Parking Ramp

Interim City Manager Reeder reported on the Pre-Design Summary Report for Phase II of the Mill Street Parking Ramp. The report summarized options for the size of the ramp, angle of the parking, number of levels, roof design options, and outside cladding of the building.

Mrs. Anderson referred to page 30 in the meeting packet and asked if the parking capacity numbers were based off the old parking ratio numbers or the new ones. Mr. Reeder referred to the capacity number of 394 and stated it is the same number that has been used with this concept before, and refers to the number of physical spaces.

Mr. Tyacke thanked the Steering Committee and residents that worked with the architects on this pre-design project.

By request of the Council, Mr. Reeder reported on the financial aspect of this proposed project. The estimated cost of the ramp in the report, which would include 394 spaces, grade plus one with angled parking, and no roof is \$8,137,641. The different roof options and their costs outlined in the report are: 1) Green Roof Option - \$1,837,770; 2) Fabric Weave Option - \$1,509,008; 3) Fabric Sails Option - \$1,346,532; and, 4) Solar Trellis Option - \$4,703,851. After meeting with solar panel companies, it was determined the solar trellis option is greatly inflated.

Mr. Tyacke explained the details of the solar roof option. As contemplated, the developer would pay for the roof and it would be bundled into a rate from which the City would be charged over a 20-year period. The system would be wired into the meter at the Muni building. As the solar panels produce energy, the meter would spin backwards and at night, when the sun is not shining, it would spin forward. There would be a payback period and a six- or seven-year span where the developer recovers tax incentives on the facility. There is also a buyout option after seven years that is pre-negotiated. There may be no upfront costs for a solar roof option, but would have an electric purchase agreement with the developer that could save money. If the City exercised the buyout, there would be capital costs, but there would be free electricity during the day from the panels the City owns.

Mrs. Anderson asked what the electricity would cover. Mr. Tyacke stated the goal would be to size the capacity of the solar production on the roof to equal what is consumed by the Muni on an annual basis.

Mr. Willcox asked if the City has the capacity to deal with the cost of a roof on the parking ramp other than the solar, which essentially pays for itself. Mr. Reeder stated at the last Council meeting, money was reallocated from the 2015 General Fund budget and from profits from the Muni, and were put into a fund that would provide an additional \$600,000, if needed. These funds should allow for the addition of a roof on the parking ramp if any of the options were pursued.

1 Mr. Mullin stated that conclusion is inconsistent with the financial memo they received.
2 If the City chooses to put on the more expensive roof, it would reach the limit of the City's
3 bonding capacity and another funding source would have to be found. Mr. Reeder agreed with
4 Mr. Mullin and stated there is a finite amount that the City can bond for and anything above that
5 would have to be cash.

6 Mrs. McCarthy stated some legislation is being heard regarding TIF pooling and it
7 appears the City has limited its TIF modeling to 25 percent on an annual basis, which is what is
8 being proposed. Mr. Reeder stated that the League of Minnesota Cities is trying to get the
9 legislative language to say it only applies to new TIF projects.

10 At the request of the Council, Mr. Reeder explained TIF pooling in more detail. Part of
11 the funding source for the ramp is using TIF money from the Presbyterian Homes project. The
12 City is able to pool this money to use it in different areas of the City, and the ramp qualifies for
13 this. The City has surplus money coming in from the Presbyterian Homes TIF project, which
14 would be used to pay for the bond payments annually, and those exact numbers are still being
15 determined. Of the total TIF available, the City can use 25 percent toward paying the bonds for
16 the ramp.

17 Mr. Mullin clarified he is not suggesting the City needs to limit its options. There are
18 parameters low and high that they have to operate within.

19 Mr. Reeder highlighted the main points of the proposed contract with Hammel, Green,
20 and Abrahamson, Inc. (HGA) to design a parking ramp on the Mill Street site.

21 Mr. Willcox asked if the City will have the information regarding the solar roof option in
22 time to affect what HGA is designing.

23 Mia Blanchett, HGA Architect, stated it needs to be worked on during the schematic
24 design process, which phase will be happening through June, and they would want to start
25 working with a potential solar company as soon as possible. Mr. Tyacke stated they hope to have
26 bids from potential solar companies within 30 days.

27 Mrs. Anderson asked if there have been other bids for the green roof options; how
28 concepts are being developed different than what the Council has already seen; whether it is
29 necessary to do three concepts, and should the design process wait until the solar options are
30 available and Council has made a decision on what type of roof to pursue.

31 Ms. Blanchett stated the trellis option is a change that has been made, and HGA will
32 research if this is the cheapest option.

33 Mrs. McCarthy stated another possible change is exploring a smaller roof.

34 Mr. Tyacke stated the range in the architectural fee going from \$560,375 to \$675,125
35 depending on the roof option selected was not rational. Johanna Harris, HGA Project Manager,
36 replied the fee for the roof design is based on the assumption that HGA and Walker would be
37 designing the roof element. It was determined using a percentage of the anticipated amount one of
38 the roof elements would cost.

39 Mr. Mullin commented it is still an option to not have a roof, and he is not prepared to
40 endorse a roof.

41 Mrs. McCarthy asked if there is any language in the contract that accounts for delays in
42 the project and allows for flexibility in the start date. Ms. Blanchett replied yes.

43 Mr. Tyacke stated he has concern that HGA is not responsible for detecting and reporting
44 errors during the construction project. He referred to page 14 of the meeting packet and asked
45 what is being done during the 16 site visits and who is responsible to correct the errors. Ms.
46 Harris stated during the construction phase, the responsibility of the architect and structural
47 engineer is to visit the site and make sure the work is complying with the construction documents.
48 Site visit reports are prepared and left with the contractor. The State of Minnesota also requires a
49 Site Inspector (SI), and they would be responsible to look at the work as well. That cost is paid
50 for by the City and is included in the soft cost portion of the project.

1 Mr. Mullin stated he is uncomfortable with the fluidity of the language around how to
2 deliver on time and on budget, and asked if there was a construction advisor with the City that
3 can look at the costs and find ways to save money. There is risk involved for the City and
4 measures need to be put into place to control the risk. Ms. Harris recommended the City pursue
5 this option. Ms. Blanchett recommended the City have a construction advisor in place as they
6 begin to design the ramp.

7 Mr. Tyacke referred to page 24 of the meeting packet and read section A.1.5 about the
8 procurement and delivery method for the project. He stated they could change the words
9 “competitive bid”. Mr. Mullin stated the group needs to decide on a method.

10 Mrs. Anderson asked staff when they could bring forward different scenarios with costs.

11 Mrs. McCarthy stated they should find someone who has had experience overseeing the
12 construction of a parking ramp.

13 Mr. Mullin stated the contract with HGA could still go forward while staff figures out
14 which method of oversight would work best.

15 Mr. Tyacke asked if the concrete was tested after it was poured. Ms. Harris stated all the
16 attributes of the concrete are tested and samples that are not compliant are corrected.

17 Mr. Tyacke referred to page 12 of the meeting packet, section 4.1.15, As Constructed
18 Record Drawings, and stated he would like these to be provided. Ms. Harris referred to section
19 4.1.14, As Designed Record Drawings, and stated these will be provided to the City to keep for
20 its records. The contractor is responsible to provide mark ups to HGA at the end of the project so
21 they can prepare the As Constructed Drawings for the City.

22 Mr. Willcox referred to page 20, section 11.4, about being charged 20 percent for
23 additional services from the architect, and asked for an example. Ms. Blanchett stated an example
24 would be if the City decided they needed to have an acoustic consultant on the project, they
25 would find one and pass them through with a 20 percent markup. Ms. Harris clarified the reason
26 for the markup is they are responsible for entering into and negotiating a contract with the
27 consultant, as well as coordinating their work and carrying insurance for them.

28 Mr. Reeder stated he will meet with City Attorney Schelzel about the contract, meet with
29 HGA, and then get back to the Council with an updated contract based on Council’s discussion.

30 Ms. Blanchett stated the type of roof and cladding needs to be chosen by the end of
31 schematic design phase, which would be in the middle of June. Mr. Reeder suggested the Steering
32 Committee be involved in the recommendations that will then be presented to the Council. Mrs.
33 Anderson stated the public gave feedback on the façade and asked how that feedback will be used
34 in making a decision. Ms. Blanchett replied they will review the meeting feedback, set up the
35 schedule of upcoming meetings, and include another public meeting so the Steering Committee
36 can incorporate what the public said into their recommendation for the Council.

37 Mr. Tyacke reminded the Council they had talked about a change in pricing for the add
38 on to the roof. Ms. Harris stated the delta between the project without a roof and the project with
39 a roof could be renegotiated if the City ends up with a roof that costs less than \$1.8 million and
40 requested this be done at the end of schematic design.

41 Mr. Reeder suggested they come up with a fee for the roof that is a flat percentage of
42 what it costs. Mr. Willcox stated there are several scenarios for a roof and a percentage does not
43 make sense for all of them. Ms. Blanchett stated the contract contains a sentence that says if there
44 is no roof, they would lower the fee. They could add wording that states there are many other
45 scenarios that could happen that could result in renegotiating the fee.

46 Mr. Roger Wothe, 133 Grove Lane, Vice Chair of Housing Redevelopment Authority,
47 asked who benefits from having a roof on the ramp. Mr. Tyacke stated it is an aesthetic benefit
48 that provides a screen and if it is a solar roof, it provides a functional benefit.

49 Mr. Wothe provided a history of the Mill Street land, stating the HRA is the fee owner of
50 the property and should be involved in the decisions with the property.

1 Mr. Reeder stated there is a meeting scheduled with the HRA on April 28 to talk about
2 the ramp.

3 Mrs. McCarthy asked if the Council should hold off on any further agreements until the
4 HRA sells the land to the City. Mr. Wothe stated it is assumed the City can build a parking ramp
5 on the property even if the HRA is the fee owner of the property.

6 Mr. Schelzel stated it is true that the HRA is the fee owner of some of the property, and
7 the use and disposition of it would be a decision of the HRA. He noted that the City Council
8 appoints and controls who sits on the HRA, thus if Council wants the project to move forward, it
9 would even if the HRA had an issue with it. Staff has been cognizant of the HRA's ownership
10 and role and the project, and plans to update the HRA at its upcoming meeting.

11 Mr. Reeder stated he would get the report to the HRA. He noted that the proposed
12 contract with HGA is just to design the ramp, not build it. The City can keep going forward with
13 the project while working with the HRA. The HRA could decide to sell the land to the City, or
14 agree to have the City build a ramp on their property. Mr. Schelzel confirmed the City would
15 need to either buy the property from the HRA, or get the rights to develop it, for the ramp.

16 Mr. Willcox requested staff set up a joint meeting with the HRA.

17 Louise Otten, 646 Indian Mound Street, commented she sees all the plans for great things
18 but is not sure they are necessary. The quality of life within Wayzata is diminishing and air,
19 noise and light pollution are a problem for people living within the City.

20 Mr. Reeder stated they will come back to Council with a revised contract and schedule a
21 joint workshop with both the Council and the HRA.

22
23 **b. Consider Approval of City Manager Contract**

24 Interim City Manager Reeder reported Jeffrey Dahl has been identified as the Council's choice
25 for the next City Manager of Wayzata beginning on May 16, 2016.

26 In response to a question from the Council on language in the contract relating to
27 compensation, Mr. Schelzel stated that if the City, as a matter of policy, gives all City employees
28 a cost of living increase or decrease, that would affect Mr. Dahl as well, according to City policy.
29 The language of the contract gives the Council the flexibility to compensate the City Manager in
30 accordance with City policy. It does specifically mention a Cost of Living Adjustment (COLA).
31 There is a provision in the termination clause about if the City Manager does not get a pay
32 increase like the rest of the employees, he can treat it as termination without cause. There is
33 flexibility to compensate him based on his performance evaluation and any other policy the City
34 may adopt with respect to compensation. The City is not constrained or obligated if it is not the
35 City's policy to compensate him in a certain way.

36 Mr. Reeder clarified the contract states if his salary is reduced more than anybody else,
37 he can consider it termination.

38 Mr. Tyacke stated the salary range was set according to the market and his starting salary
39 was within that range. The performance review is conducted annually, and the Council votes on
40 salary increases based on performance in the job with no COLA adjustment.

41 Mr. Mullin stated it is at the Council's discretion to provide COLA or not. The contract is
42 not stating the Council has to provide COLA, it is giving the new City Manager the same rights
43 as any other employee.

44 Mr. Willcox stated COLA has been a factor in performance evaluations.

45 Mr. Schelzel stated he was not part of the direct negotiations with Mr. Dahl on this point,
46 but this language does not conflict with the City's practices or obligate the City to compensate
47 him in any way beyond what it states in the contract. Mr. Reeder stated it will be clarified with
48 Mr. Dahl this contract does not state he automatically gets a COLA increase.

49 Mrs. McCarthy made a motion, seconded by Mr. Mullin, to approve the Employment
50 Contract between the City of Wayzata and Jeffrey Dahl.

1 Mr. Mullin commented if this is approved, they are excited to welcome Mr. Dahl as the
2 new City Manager.

3 The motion carried 5/0.

4
5 **AGENDA ITEM 4. Adjournment.**

6 Mr. Tyacke made a motion, seconded by Mrs. Anderson to adjourn. There being no further
7 business, Mr. Willcox adjourned the meeting at 8:34 p.m.

8
9 Respectfully submitted,

10
11 *Becky Malone 05-03-2016*

12
13 Becky Malone
14 Deputy City Clerk

15
16 Drafted by Shannon Schmidt
17 *TimeSaver Off Site Secretarial, Inc.*